

**MAYOR'S ADVISORY GROUP
FEBRUARY 21, 2006**

MINUTES

Members Present

Joseph Donaldson
David Camacho
Robert Magnuson
Renee Fauset
Judy Boyer
Mitch Strohman
Karl Baumgartner
Nat White
Tara Green

Members Absent

Gene Westerhaus – excused
Lee Treece – excused
Julie Pastrick
Stephanie McKinney
Grover Decker
Coral Evans
Joanne Keene
Ryan Rodriguez
Dana Russell

Staff – Guests – Visitors Present

Dave Wilcox
Steve Shafer
Mary Jo Jenkins
Erika Mazza
Jeff Meilbeck
Geoff Cross
Margie Brown
Laura Parker

Mitch Strohman called the meeting to order at 6:50 a.m.

Approval of Minutes. A motion was made by Renee Fauset to approve the minutes from the January 17, 2006 meeting. Motion seconded by Robert Magnuson. Motion carried unanimously.

Mitch welcomed the group and turned time over to Mary Jo Jenkins, Management Services Director for a presentation on ballot items. Mary Jo had city staff/guests make introductions for the benefit of those present.

General election will be held on May 16 and will include the following propositions:

- Proposition 401 Remove Expiration Date on Sales Tax
- Proposition 402 Adjust Expenditure Base
- Proposition 403 Transit Tax Increase and Remove Expiration Date
- Proposition 404 Exempt Workforce Housing from Charter Expenditure Limitation

Steve Shafer, Tax Licensing & Revenue Manager gave information on Proposition 401 – Remove Expiration Date on Sales Tax

The 1% tax was first approved by the voters of the city in 1964 with a 10-year expiration clause.

In 1984 the tax was extended for an additional 10-year period and the tax on food for home consumption (grocery items) was removed. No other city in the state has a sunset provision on its sales tax. •Citizens will have the authority to repeal the tax by referendum.

- In the past two elections voters have approved the extension of the tax by more than 75 percent.
- Any proposed rate increases will still have to be approved by the voters.
- The BBB and Transportation taxes will continue to carry existing sunset provisions.
- Approximately 50% of the local tax is paid by people that do not live in the city.

Discussion was held on the information presented.

Mary Jo Jenkins, Management Services Director-City of Flagstaff presented information on Proposition 401 – Adjust Expenditure Base

The ballot question proposes a \$5.5 million adjustment to the expenditure limitation. Established in 1980, adjusted annually by an inflation and population factor. Translated to 2006 dollars = \$25 million. City growth has outpaced expenditure limitation growth. Not a tax increase. Allows capacity to spend within an approved and balanced budget. Nearly 85% of cities and towns in the State have had to make similar adjustments to expenditure limitation.

Discussion was held on the information presented and questions answered by Mary Jo.

Proposition 403 Transit Tax Increase & Removal of the Expiration Date was presented by Jeff Meilbeck, Coconino County. Jeff passed out the New 5 Year Transit Plan document to those present.

Mission is to create a comprehensive integrated transit system that provides a seamless transition from various transportation modes while serving the region efficiently. The transit system has a strong central system with excellent frequency provided to outlying areas and other communities in a way that addresses partner agencies unique transit needs.

- The tax was first approved by the voters of the city in 2000 with a 10-year expiration clause.
 - Need to continue service based on public input
 - Provide financial stability to meet growing needs
- Increase is \$0.155 on \$100 purchase
 - New five year plan includes
- Cross-town express Route – 15 minute frequency
 - Coordinated route with University and adjacent area –15 min
 - Peak hour commuter to Cheshire
 - New Service from Railroad Springs and West Route 66 to downtown

Discussion was held on the information presented and questions answered by Jeff.

Proposition 404 - Workforce Housing presented by Erika Mazza

Amendment to the City Charter exempting workforce housing from the indexed Charter expenditure limit established by the voters in 1984.

Will not raise taxes - The proposed Charter amendment has no impact on tax rates in the City of Flagstaff.

Does not give the City a “blank check” - City participation must go through a public process of project approval and funding allocation with full disclosure. All decisions are made by the City Council at public meetings. Citizens may participate and provide input into the process. When bonding is required, it must be approved by the voters.

Flagstaff Housing Affordability for Homebuyers and Renters for Common Occupations – 2005:

Median Home Price	Hourly Wage Needed to Buy	3 Bdrm Apartment Monthly Rent	Hourly Wage Needed to Rent	Cannot Afford to Buy or Rent	Can Afford to Rent but NOT to Buy	Can Afford to Rent or Buy
\$298,250	\$41.44	\$1,166	\$22.42	Occupation/Wage	Occupation/Wage	Occupation/Wage

Based on the median home price for Flagstaff, the fair market wage for a 3 bedroom rental, and a representative sample of median hourly wages for Coconino County; the occupations in the left hand column cannot afford to rent or buy based on these figures. The middle column occupations can afford to rent **but not** to buy, and the right column **can afford** to rent or buy

Waitperson \$6.18
Retail Worker \$8.39
Bank Teller \$10.09
Total All Ocup \$11.36
Teacher \$15.13

Reg Nurse \$23.71
Civil Eng \$28.92
Phys Ther \$27.42
Veterinarian \$28.20

Pharmacist \$42.07

Discussion was held on the information presented and questions answered.

Mitch thanked the presenters for their time and presentation.

Upcoming Meeting Topics:

Discussion was held on possible topics including Update on Arizona Cardinals and Adult Center Programs/Services available. Decision made to table these topics until a later date.

Decision was made to have **Capacity Analysis Coordinated Taxes – Question/Issues (State and Local)** as the discussion topic for the **April 18, 2006 meeting**. NOTE: March meeting is cancelled due to the Mayor’s travels to Washington, DC.

Meeting was adjourned at 8:17 am.